

## **Unit Titles Help Sheet**

Settled

<https://www.settled.govt.nz/buying-a-home/finding-a-property/understanding-types-of-ownership/#:~:text=Unit%20title%20ownership%20also%20referred,in%20the%20record%20of%20title>

Settled – options

<https://www.settled.govt.nz/buying-a-home/finding-a-property/considering-your-property-options/>

Unit Title Services

<https://www.unittitles.govt.nz/>

Recent changes to the law

<https://www.hud.govt.nz/our-work/unit-titles-act-2010>

More:

### ***What you own***

Unit title ownership also referred to as a 'strata title' or 'stratum estate' is most common in a building where there are multiple owners.

As a unit owner you own:

- your particular apartment or unit and any accessory units, like garages, car parks, private courtyards and storage areas contained in the record of title
- an undivided share of the ownership of the common property (eg lifts, laundries, lobby areas, driveways and gardens).

### ***What you need to know about body corporate membership***

Becoming a unit title holder means you automatically become a member of the body corporate, which consists of all the unit owners acting as a group. Most day-to-day decisions of the body corporate can be made by a body corporate committee or with the agreement of 50% or more of the unit owners. Some decisions will require the agreement of 75% or more of the unit owners.

You will usually pay an annual fee (a levy) to the body corporate, which will go towards budgeted body corporate expenses. The fee will include costs like insurance and management expenses, contributing to a long-term maintenance fund (LTMF) and any services the body corporate arranges for its members (for example, rubbish collection and cleaning communal areas). Any

body corporate costs that have not been included in the budget are also payable by the unit owners, usually by way of a special levy.

If you are interested in buying a unit title property, you should ask for a copy of the body corporate's rules. These will set out how you and the other owners can use your units and the common areas. You should also ask for copies of the minutes from the body corporate's meetings and the body corporate's maintenance plan, and information about any regular fees you need to pay. Make sure the LTMF has enough money in it to pay for the ongoing repairs and maintenance detailed in the plan. Chat with other unit owners within the complex to see how the body corporate operates.

### ***What the seller needs to tell you***

The seller must give you the following information about the unit and the body corporate:

- A pre-contract disclosure statement, which the seller provides before entering into an agreement for sale and purchase.
- A pre-settlement disclosure statement, which the seller provides after entering the agreement for sale and purchase but before settlement of the sale.

More information:

- [More about unit titles for all property owners \(not just landlords\) at unittitles.govt.nz\(external link\)](https://unittitles.govt.nz)
- [What you need to know when buying an apartment or unit](#)

### ***Unit Titles Amendment Act changes to disclosure***

Law changes to the Unit Titles Act 2010 passed by Parliament on 9 May 2022 have implications for licensees, property owners, building managers, and developers.

Amendments to this Act aim to improve the information provided to prospective buyers of units; as well as governance of multi-unit properties and higher density complexes.

This legislative change highlights that licensees need to be fully aware of your disclosure obligations, and the potential consequences for vendors if inadequate pre-contract disclosure is provided.

The Act's full name is the Unit Titles (Strengthening Body Corporate Governance and Other Matters) Amendment Act 2022 (Amendment Act). It comes into force by Order in Council, or two years from the date of Royal Assent which was on 9 May 2022.

[More about the Unit Titles Amendment Act at hud.govt.nz](https://hud.govt.nz)